
Your Retirement Guide

The Local Government Pension Scheme (Northern Ireland)

Administered by:

The Northern Ireland Local Government Officers' Superannuation
Committee

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1) Introduction

This booklet has been designed to give you an outline of the benefits which the Local Government Pension Scheme (Northern Ireland) - LGPS (NI) - provides for you and your dependants on retirement. It should be read in conjunction with the Committee's "Membership Guide" a copy of which you should have received when you joined the scheme. It also shows practical details about your retirement and some key contact details for related outside agencies. The Northern Ireland Local Government Officers' Superannuation Committee, referred to in this booklet as "NILGOSC" or "the Committee", administers the scheme and our contact details are shown below.

We hope you enjoy reading this guide which we have tried to keep clear and concise and would stress that it is impossible to deal with every circumstance which may affect a particular individual's pension and associated dependants' entitlement. Terms that need further explanation are noted in **bold type** and are defined in Section 2. Should you require any further information on any aspect of the pension scheme your employer should, in the first instance, be able to advise you.

The current statutory regulations governing the scheme are:

The Local Government Pension Scheme Regulations (Northern Ireland) 2002, No.352, as amended. Copies are available from The Stationery Office, 16 Arthur Street, Belfast, or can be inspected at the Committee's premises.

The regulations are also available online at:

www.opsi.gov.uk/legislation/northernireland/ni_legislation.htm

The Pensions Administration Section of NILGOSC can be contacted at:

Templeton House
411 Holywood Road
Belfast
BT4 2LP

Telephone No: (028) 9076 8025

Fax No: (028) 9076 8790

Email: info@nilgosc.org.uk

Website: www.nilgosc.org.uk

Disclaimer

This booklet is provided for information purposes only and does not confer any statutory rights or over-ride any provision in the appropriate legislation. Amendments to the legislation frequently occur and it is not possible, due to time restrictions and printing requirements, to insert every change which affects a pensioner's entitlement.

2) Types of Retirement

Your retirement normally falls into one of the following categories:

- Normal age retirement at age 65
- Late retirement up to age 75
- Early retirement between ages 60 and 65 on a voluntary basis.
- Early retirement from age 50 (increasing to age 55 from April 2010) onwards with your employer's consent (including flexible retirement).
- Permanent ill-health retirement at any age as certified by the Committee's Occupational Health Physician.
- Redundancy! "Efficiency of the Service" retirement from age 50 (increasing to age 55 from April 2010) onwards.

Retirement Benefits

You are entitled to a benefit when you retire providing you have been a member of the LGPS (NI)

- For at least 3 months, or
- Your period of membership is less than 3 months and you have transferred into the LGPS (NI) previous pension rights from a previous pension arrangement, or
- You are retiring at age 65 irrespective of your length of service

The benefits payable are an annual pension and a lump sum retirement grant. On your death, a balance of death grant, spouse's or civil partner's pensions and children's pensions may be payable.

Your annual pension is calculated using the formula:

- Membership in the scheme x $\frac{1}{80}$ x **final year's pay**
- Your lump sum retirement grant is 3 times your annual pension
- Spouse's pension is normally one half of your pension

The Annual Benefit Statement you have received each year from the Committee details your **membership** (or service) history in the scheme and includes transferred membership from other schemes or membership you have purchased, if applicable.

Under the revised HM Revenue & Customs (HMRC) regulations from 6 April 2006 you have the option of exchanging part of your pension for a bigger lump sum of up to 25% of your **"Total Fund Value"**.

3) Retirement Options explained

Normal Retirement Age

You can retire and receive your LGPS (NI) benefits in full from age 65.

Late Retirement

If you carry on working after age 65 you will continue to pay into the scheme accruing further benefits. You can receive your pension when:

- You retire, or
 - You reach the eve of your 75th birthday, or
 - You have your employer's consent for flexible retirement
- whichever occurs first.

If you draw your pension after age 65 it will be increased in accordance with actuarial tables to reflect the fact that it will be paid for a shorter time.

Your pension has to be paid before your 75th birthday.

Early Voluntary Retirement between ages 60 and 65

If you have at least three months total membership or have brought a transfer value into the LGPS (NI) you can elect, in writing to your employer, to retire and receive your LGPS (NI) benefits at any time from age 60 onwards at no cost to your employer. However, if you joined the LGPS (NI) after 30 September 2006 and retire before age 65 your pension and lump sum will be reduced in accordance with guidance issued by the Government Actuary. If you were contributing to the scheme on 30 September 2006, some or all of your early retirements benefits may be protected from the reduction if you are a **protected member**.

Your employer may, however, determine on compassionate grounds to waive any reduction. This involves a cost to the employer. This is an employer discretion and you can ask your employer what its policy is on this matter.

Early Retirement from age 50 onwards with your employer's consent

Between and including the ages of 50 (increasing to age 55 from April 2010) and 59 you may also elect to retire and receive your LGPS (NI) benefits, but only if your employer gives their consent. This is employer discretion and should be included in their Policy Statement. Your employer must meet the cost arising from paying your benefits early.

If you joined the scheme after 30 September 2006 and retire before age 65 your pension and lump sum will be reduced.

If you were contributing to the scheme on 30 September 2006 some or all of your benefits could be protected from the reduction if you are a **protected member**. Your employer may, however, determine on compassionate grounds not to apply any reduction.

Flexible Retirement

Rather than continuing in your job to age 65 and drawing your pension from then, you could from age 50 (increasing to age 55 from April 2010), **and with your employer's consent**, reduce your hours or move to a position on a lower grade and elect in writing to the Committee to draw the benefits already built up - helping you to ease into retirement - whilst still drawing your pay from the job on the reduced hours or grade. You can continue paying into the LGPS (NI) to build up further benefits in the scheme.

If you joined the LGPS (NI) after 30 September 2006 and take flexible retirement before age 65, your pension and lump sum will be reduced for early payment.

If you were contributing to the scheme on 30 September 2006, some or all of the benefits paid to you may be protected from the reduction. However, if you take flexible retirement before age 65 and rejoin the scheme you will lose any protection on that further period of membership.

Your employer may, however, determine not to apply all or part of any reduction; this is an employer discretion.

The reduction to benefits is calculated by the Government Actuary and may change from time to time. As a guide, the percentage reductions for retirements up to ten years early are shown below. Where the number of years is not exact, the reduction percentages are adjusted accordingly.

Years Early	Pension Reduction %		Lump Sum Reduction %
	Males	Females	All Members
0	0	0	0
1	6	5	2
2	11	10	5
3	16	15	7
4	20	19	9
5	24	23	12
6	28	27	14
7	32	30	16
8	35	33	18
9	38	36	20
10	41	39	22

Ill Health Retirement

If you have at least three months membership or have brought a transfer value into the LGPS (NI) and the Committee approved occupational health physician certifies that you have become permanently incapable of carrying out your duties (up to age 65) due to permanent ill health then you will receive an immediate ill health pension and lump sum. The benefits will be calculated on your total membership period which will be increased as follows:

<i>Total Membership</i>	<i>Total Membership after Increase Awarded*</i>
Less than 5 years	Actual total membership only
Between 5 and 10 years	Total membership doubled
Between 10 & 13 1/3 years	Total membership increased to 20 years
13 1/3 years or more	Total membership increased by 6 2/3 years

*Your increased membership, however, must not exceed the total membership you would have accrued had you continued in employment until age 65.

In cases of severe ill health where the Committee's occupation health physician certifies that the member's life expectancy may be of less than one year, the ill health pension may be commuted and paid as a lump sum.

Redundancy / "Efficiency of the Service" Retirement

If you are aged 50 (increasing to age 55 from April 2010) or over and have at least three months total membership of the LGPS (NI) or have brought a transfer value into the scheme, you will be entitled to the immediate unreduced payment of your LGPS (NI) pension and lump sum if declared redundant or retired by your employer "in the interests of efficiency".

LGPS (NI)

4) Claiming your Pension

In advance of your leaving date your employer will send NILGOSC form LGS51 stating the reason for your retirement and your current home address.

We will then contact you with:

Your benefit quotation estimate also stating whether we need to see your Birth Certificate if you have not previously sent it to us for inspection – **Form 1**
(To be retained by you)

Details of your pension conversion options including any in-house AVC fund – **Form 2**
(To be completed and returned to NILGOSC)

Payment details form (Bank Account details etc) – **Form 3**
(To be completed and returned to NILGOSC)

HM Revenue & Customs Requirements form for you to declare any other pensions, either in payment or due into payment, excluding the State Pension – **Form 4**
(To be completed and returned to NILGOSC)

HM Revenue & Customs Declaration form for you to give monetary details of any other accrued pensions you may have – **Form 5**
(To be completed and returned to NILGOSC, if applicable)

Please note that by law we are not allowed to pay your benefits until the above forms are completed and returned to us.

Commencing your payments

Your annual pension and lump sum retirement grant will be calculated as per your instructions provided we have received your official leavers form LGS15 from your employer.

We will notify you of your benefit entitlement and your tax-free retirement grant will be paid directly to the bank or building society account you have stated on Form 3.

Your annual pension is paid monthly, in arrears, to the same account on the last banking day of the month. You will be advised of your first payment date with your retirement notes at your retirement date. Your pension is payable for life and is assessed as earned income by HM Revenue & Customs (HMRC). As well as Income Tax deductions we are required to deduct from your pension, on request from the relevant Government Agency, any Child Support Agency repayments or Enforcement Order repayments as determined by the courts. Your benefits are calculated on the pay notified by your employer and if you receive a backdated pay award or re-grade we will recalculate your benefits on the instructions of your ex-employer.

Please note that if you are claiming any type of benefit from the Social Security Agency or from the Housing Executive (or if you intend to claim a benefit) you MUST declare the income from your LGPS (NI) pension. See later section on National Fraud Initiative.

If you go to live abroad, we can make special arrangements to make payment to your nominated bank account. Please contact our Payroll Section who will forward you the relevant forms for completion.

Pay Slips and P60 form

As your pension and lump sum will be paid directly to your bank or building society account, you will be advised a year in advance of the pension payment dates. A pension payment advice will, therefore, only be issued when your pension amount changes, e.g. in April or May due to **pension increases**. It is your responsibility to forward copies of these payslips to any body that you receive benefits from, such as the Social Security Agency, the Housing Executive, a Health and Social Services Trust or a nursing home.

You will also receive a payment advice in any month that your pension differs by £1.00 or more from the previous month.

A P60 Income Tax form will be issued to you by 31 May each year, showing pension earned and tax deducted, if any, to 31 March of that year.

Income Tax

Your pension is assessed as earned income and the Committee must deduct Income Tax in accordance with the code notified by HM Inspector of Taxes. If you submit parts 2 and 3 of tax form P45 with your claim for benefits, these cannot be returned to you as they will be forwarded to our Tax District so that a correct notice of coding can be issued to you. If any refund of tax is due to you during the tax year it will be paid along with your pension as soon as the tax office issues your new coding.

All queries about income tax on your pension should be addressed to:

HMRC
Northern Ireland Counties Area
Foyle House
Duncreggan Road
Londonderry
BT48 0AA
PAYE Reference No: 916/G82576

Telephone No: 0845 302 1481

Change of Circumstances

Please keep us informed of any changes in your personal circumstances, particularly if you move house or your marital status changes. These changes can be taken over the telephone, after your identity has been confirmed. However, if you change your bank or building society account you must inform the Committee in writing.

You should be aware that your pension will be suspended if we lose touch with you, e.g. your bank returns a monthly pension payment stating the account has been closed. We will not begin paying your pension again until you re-establish contact with us and any arrears will only be paid on the next available payment date.

Pension Terms explained

5) Final Year's Pay

This is the figure used to calculate your pension benefits and is normally your **pensionable pay**, as determined by your employer, in the last year before you retire. For a part-time employee, the figure used is normally the pay you would have received if you had worked full-time. For example, if you work 20 hours per week and earn £7,000 per year and the full-time employees work 37 hours per week, your pensionable pay would be $£7,000 / 20 \times 37 = £12,950$ (see page 13). If your pay is reduced because of illness, the final pay is taken to be the pay you would have received if working normally. The pay used to calculate deferred (or preserved) benefits is usually the pay earned in the final year of employment with a scheme employer.

Pensionable pay is the total of all the salary, wages, and other payments made in respect of employment and any other payment or benefit specified in your contract of employment as being a pensionable emolument. Pensionable pay does not include overtime you choose to work, travelling or subsistence allowance, pay instead of notice or pay instead of holidays. Any emoluments which are not paid on a fixed basis and are additional to your pay, e.g. performance related pay or election fees, are averaged over 3 years or such favourable period of not less than 3 nor more than 5 years and are added to your final pensionable pay.

6) Total membership (previously known as "service")

This is the amount of membership used in the calculation of your benefits and includes:

- the number of years and days you have been a LGPS (NI) contributing member (with part-time employment reduced to its whole-time equivalent length) but excluding any membership in respect of which you are already in receipt of a LGPS (NI) or in respect of which you hold a LGPS (NI) deferred pension.
- the number of years and days purchased by a transfer into the LGPS (NI) from a previous employer's pension plan, a personal pension plan or a stakeholder pension scheme.
- any additional years of membership that you have bought or which have been granted to you by your employer.
- any additional years of membership purchased by converting AVC's into a period of membership.
- any membership granted by way of ill health enhancement (see page 6).

7) Total Fund Value & the Lifetime Allowance

You are now able to exchange some of your pension to receive a bigger tax-free lump sum. You will be able to take up to a maximum of 25% of the total fund value of your pension benefits as a tax-free lump sum or, if lower, 25% of the **lifetime allowance** as set by the Treasury, £1.5 million for 2006/07 rising to £1.8 million at 20 10/1 1, less an adjustment for the value of any other pension benefits you are already drawing. Any amount you take as a

lump sum above the normal scheme lump sum would be achieved by exchanging part of your annual pension for a one-off tax free cash payment – for each £1 annual pension given up you will receive £12 lump sum.

Example: Total Fund Value = (Pension x 20) + Lump Sum (+ the value of any AVC Fund)
(See worked example on page 14).

You will be given your own individual valuations before you retire in order to make a decision about increasing your lump sum.

From 6 April 2006 pension benefits are no longer restricted by membership or salary limits and you can now continue to earn benefits beyond 40 years membership (or 45 years membership if you were a pre 1 June 1989 scheme member).

8) Rule of 85 and Protected Membership

The “85 year” rule is satisfied if your membership (service) in the scheme and age (each in whole years) adds up to 85. Although the LGPS (NI) has an age 65 normal retirement date, there is provision for voluntary retirement from age 60 onwards at no cost to your employer. However, benefits are subject to reduction if you do not satisfy the 85-year rule, unless your employer agrees to pay an additional cost to the Committee. You can apply for voluntary retirement between the ages of 50 (age 55 from April 2010) to 59 with your employer’s consent and benefits will be reduced if you do not satisfy the 85-year rule unless your employer determines on compassionate grounds that no reduction should apply.

You should note that from 1 October 2006 the “rule of 85” was abolished to comply with the European Union Directive on Age Discrimination.

If you joined the LGPS (NI) after 30 September 2006 and retire before age 65, your pension and lump sum will be reduced in accordance with guidance issued by the Government Actuary. If you were contributing to the scheme on 30 September 2006, some or all of your benefits paid early may be protected from the reduction (**Protected Member**). The protections are involved, and are spread from 1 October 2006 to 31 March 2020 so please see the section on “**Protected Member**” on page 42 of your Membership Guide, or visit our website, for a fuller explanation of this topic. The following is a brief outline of the transitional protections:

- Accrued membership will be protected to 31 March 2008 for all existing members on 30 September 2006 who would have satisfied the 85 year rule before age 65.
- Full protection if you reach age 60 on or before 31 March 2016 (i.e. all membership up to 1 April 2016 can be taken without an actuarial reduction at the current “rule of 85” age).
- For those who reach age 60 and attain the rule of 85 between 31 March 2016 and 31 March 2020, post April 2008 benefits will be protected subject to a tapered reduction.
- The 85 year rule does not apply to all new entrants from 1 October 2006 and normal retirement age will be **age 65**.

9) Pensions Increase

All ill-health and dependants benefits are increased each April in line with the Retail Prices Index regardless of age but all other retirement benefits receive increases from age 55. If you retire between age 50 and 55, the accumulated effect of inflation since you retired will be added to your pension when you reach age 55, but no arrears are payable. The Retail Prices Index shows the changes in the cost of living and reflects the movement of prices covering a range of goods and services over time. The amount by which pensions are increased annually is based on the movement in the index to the previous 30th September.

Similarly, all deferred, (or preserved), benefits normally receive pensions increase from date of leaving to payable date.

10) Civil Partnership Act

The Civil Partnership Act came into force on 5th December 2005. Registered civil partners are now entitled to similar benefits from the scheme as married spouses.

11) National Fraud Initiative

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) must protect the public funds that it administers. To this end, from time to time, it may use information provided to it for the prevention and protection of fraud and it may share it with other bodies administering public funds, solely for these purposes.

NILGOSC currently participates in an anti-fraud initiative organised by the Audit Commission under the terms of Section 6 of the Audit Commission Act 1998.

Under this initiative details of all LGPS (NI) pensioners are forwarded to the Commission so it can compare these details with information provided by other public bodies to ensure that:

1. No pensions are being paid to persons who are deceased.
2. Occupational pension scheme income is being declared by housing benefit claimants and by benefit claimants to the Social Security Agency.
3. Re-employment or potential re-entry to the scheme is being disclosed to us.

While the object of the exercise is the detection of fraud, previous exercises also uncovered underpayments to pensioners, which were then rectified. These exercises are solely designed to help to ensure the best possible use of public funds.

NILGOSC will continue to be associated with the National Fraud Initiative in its efforts to combat fraud.

12) Employers Discretions

Under the current regulations, your employer is required to publish a policy statement setting out how it will operate certain discretions available to it, including:

- Retirement, at additional cost to your employer, between ages 50 to 59. Reduced benefits may apply.
- Augmentation (added membership), subject to a maximum of 6 years 243 days on retirement.
- Flexible retirement from age 50 onwards.

This is a brief description of the available policy discretions and you should consult with your employer for a full list of its policies, particularly if you plan to retire early.

13) AVC Arrangement (Additional Voluntary Contributions)

If you have been contributing to the Scheme AVC arrangement with Prudential (or Equitable Life) you have various retirement options open to you. These include taking up to 100% of the accumulated AVC fund as a tax free lump sum if you draw it at the same time as your LGPS (NI) pension and providing the amount does not exceed the Inland Revenue limits. Alternatively, you can convert your AVC fund to LGPS (NI) membership or buy an annuity from an insurance company, to provide you with additional pension benefit. The options will be detailed to you in advance of your retirement.

The Prudential "Pension Connection" telephone number is: 0845 607 0077

14) Pension Sharing Order

If your pension benefits:

- are subject to a Pension Sharing Order issued by the Court following a divorce or annulment of marriage, or
- the making of an order for the dissolution or nullity of a civil partnership, or
- are subject to a qualifying agreement in Scotland

your benefits will be reduced in accordance with the Court Order or agreement.

15) Part Time Retirement Calculation

If you are a part time worker, your final year's pay for benefit purposes will be increased to a full time equivalent rate and your membership reduced to a whole time equivalent, per the following example:

Part time hours = 20 per week. Whole time equivalent hours for the job = 37 per week

Final year's part time pay = £7,000

Retires at age 65 with 20 years part time membership

Calculation is:

$20 \text{ years} / 37 \times 20 = 10 \text{ years } 296 \text{ days}$ whole time equivalent membership

$£7,000 / 20 \times 37 = £12,950$ whole time equivalent pay

Annual Pension is: $10 \text{ years } 296 \text{ days} \times 1/80 \times £12,950 = £1,750$

Lump Sum Retirement Grant is: $10 \text{ years } 296 \text{ days} \times 3/80 \times £12,950 = £5,250$

Whole time equivalent pay is used to protect your final benefits in case you had previous whole time membership in the scheme or had worked more part time hours per week in previous years.

16) Total Fund Value and increased Lump Sum example

Member's benefits before commutation:
£30,000 pension and £90,000 lump sum

Maximum pension that may be commuted is calculated using the formula:
 $1/56 \times [(20 \times £30,000 - (3 \times £90,000))] = £5892.85$

Scheme Benefits would therefore be:
Pension $(£30,000 - £5892.85) = £24107.15$
Lump Sum $£90,000 + (£5892.85 \times 12) = £160,714.20$

and

Fund Valuation:
 $(20 \times £24107.15) + £160,714.20 = £642857.20$
25% of Fund Valuation = £160,714.30

LGPS (NI)

Other Related Issues

17) State Benefits

The Basic State Pension

This is the flat rate State Retirement Pension based on the record of National Insurance contributions you have paid - not to be confused with the 5% or 6% contributions you have paid to the LGPS (NI). You receive this pension from State Retirement Age, which is currently age 65 for men and age 60 for women - rising to age 65 for women by 2020. The amount you receive from the State will depend on the number of years contributions you have made. You should note that State Pensions are paid by the State without deduction of Income Tax. However, the State Pension is taxable income and the amount will appear on the notice of coding you receive from the Inspector of Taxes as a reduction to your personal (tax free) allowances. The effect of this procedure is that tax, if any, deducted from your LGPS (NI) pension may include tax in respect of your State Pension. Any increase in State Pension can result in more tax being deducted from your LGPS (NI) pension.

You can get a forecast of your State Pension by telephoning 0845 3000 168 quoting your National Insurance Number or visiting the Department of Work and Pensions website at: www.thepensionsservice.gov.uk

If you have not attained State Retirement Age at your date of retirement from the LGPS (NI) you can also obtain details from the Department of Work and Pensions (DWP) regarding your contribution record and how to cover any shortfall in your contributions. Your local Social Security Agency office should also be able to advise you regarding this topic. You should note that National Insurance contributions cannot be deducted from your LGPS (NI) pension and you must make arrangements direct with DWP for any shortfall.

State Second Pension (S2P) and other State provisions

The State Second Pension replaced SERPS (State Earnings Related Pension Scheme) from 6 April 2002 and as a member of the LGPS (NI) you were “contracted-out” of both these arrangements. As a result you paid a lower rate of national insurance contributions. There is however an overriding guarantee that your LGPS (NI) pension is not less than the additional pension you would have built up in SERPS had you contributed to it between **6 April 1978 and 5 April 1997**. This is known as your Guaranteed Minimum Pension (GMP).

The LGPS (NI) will continue to guarantee a pension comparable to the SERPS pension but where the S2P pension would have provided a pension greater than SERPS the Government will top up the members basic State Pension at retirement. The effect of the change to S2P is that members will be no worse off than previously and those on low or moderate earnings will be better off and will receive a higher State pension on retirement.

At State Retirement Age the DWP will send you a statement showing the amount of any GMP you have accrued. This amount is included in your LGPS (NI) pension and is partially increased by the State each April and added to your basic State Pension. The remainder of your pension is increased by NILGOSC and added to your LGPS (NI) pension. The Committee Staff will provide you with more details of GMP increases, if applicable to you, at your State Retirement Age.

If you paid contributions to the State Graduated Pension Scheme between 6 April 1961 and 5 April 1975 then you will also be advised by DWP of the amount of any Graduated Pension you are entitled to at State Retirement Age. Please see the example below.

You are strongly advised to contact your local Social Security Agency office or the Department of Work and Pensions if you have any queries about State Benefit entitlements and always quote your National Insurance number.

Example:

NILGOSC	Pension is £5,000 per annum including GMP pre-April 1988 of £1,500 and GMP post-April 1988 of £2,000.
State Pension	£4,716 per annum

Total income £5,000 + £4,716 = £9,716 per annum.

Assume that an increase of 3.5% is payable.

Total increase that you will receive is:

3.5% of £9,716 = £340

Your income (as increased) will be £9,716 + £340 = £10,056

The increase of £340.00 will be paid as follows:

a) Paid by NILGOSC

Local Government pension		£5,000.00
Less GMP pre-April 1988	£1,500.00	
GMP post-April 1988	<u>£2,000.00</u>	<u>£3,500.00</u>
		£1,500.00
Increase of 3.5% of £1,500		£52.50
Add increase of up to 3% Post-April 1988 GMP 3% of £2,000.00		£60.00

Total increase paid by NILGOSC = £112.50

New annual NILGOSC pension = £5,000.00 + £112.50 = £5112.50

b) Paid by the Department of Work and Pensions

Increase of 3.5% on £4,716.00 = £165.00

Add increase on pre-April
1988 GMP

3.5% on £1,500.00 = £52.50

Add increase on post-April
1988 GMP

$(3.5\% - 3\%) = 0.5\%$ of £2,000.00 = £10.00

Total increase to be paid by the State = £227.50

New state pension to be paid = £4,716.00 + £227.50 = £4,943.50

c) Total increase to be paid:

By the Committee	£112.50
By the State	<u>£227.50</u>
Total	£340.00

18) Re-employment after receiving your LGPS (NI) pension

- If your new employment is with an employer who is not a member of the LGPS (NI) it will not affect the rate of your pension, though you may have to pay more Income Tax.
- If you take up employment with an employer who is subject to the LGPS (NI), then you must advise the Committee of the re-employment whether or not you rejoin the scheme. This particularly applies if you are in receipt of an ill-health pension. The Committee has the right to suspend the LGPS (NI) pension in payment depending on the circumstances of the re-employment although currently there is a “non abatement” policy in operation, which is periodically reviewed.

You are therefore strongly advised to advise the Committee of any imminent re-employment subject to the LGPS (NI) regulations and our staff will advise you of the current policy discretion in this event. Our website also contains details of the Committee’s current re-employment and abatement policy.

- If you are re-employed subject to the LGPS (NI) scheme and are receiving a **compensation pension** from an ex-employer as a result of a redundancy or “efficiency of the service” retirement before 31 March 2007, then the compensation pension may be reduced or suspended depending on the membership accrued, age and rate of pay at the start of the re-employment. As your compensation pension is paid under a different set of regulations the Committee’s “non-abatement” policy does not apply to this portion of your pension.

In this circumstance you must advise both the employer who awarded you the compensation pension and the Committee of the re-employment details in advance of the starting date in order that calculations may be carried out which may result in the suspension or reduction of your compensation pension. You should therefore be aware of the implications of re-employment and re-joining the scheme if you have a compensation pension.

The compensation regulations which permitted the award of compensatory added years are contained in the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2003, No: 61.

They are available for inspection from the employer who granted you the compensation pension or from the Office of Public Sector Information (opsi) website, as follows:

www.opsi.gov.uk/legislation/northernireland/ni_legislation.htm

19) Protection for your family on Death after Retirement

The scheme provides for a widow's, widower's, civil partner's and children's pensions. No other relatives are entitled to benefits on the death of a pensioner e.g. common law spouses or partners. Your next-of-kin or person dealing with your Estate must immediately inform the Pension Payroll Section of NILGOSC of your date of death otherwise an overpayment could occur.

There have been various regulation changes over the years regarding the payment of dependants' benefits so the following notes are based on the 2002 regulations, as amended. If your pension commenced prior to 1 February 2003 different regulations/dates of entitlement etc may apply to your death benefits and you are therefore strongly advised to check with our staff if you are in any doubt regarding the benefits for your surviving family.

A balance of Death Grant is normally payable to your personal representative/s if you die within five years of commencing pension using the formula: five x annual pension less pension already paid. The Committee has the discretion to pay the balance of Death Grant to your nominee or personal representatives or to any person who appears, at any time, to have been your relative or dependant. If you have not already made your wishes known, or you wish to change a previous nomination, **a Nomination Form LGS20** is available from NILGOSC/your employer. By making a nomination the Death Grant can be paid quickly without waiting possibly several months for your Estate to be settled. Because the Death Grant is payable at the discretion of NILGOSC it does not form part of your Estate and is therefore not subject to any Court fees or Inheritance Tax if a Grant of Probate or Letters of Administration are required.

A widow's, widower's or civil partner's pension

A widow's, widower's or civil partner's pension is payable; the pension amount depending on whether you were married or entered into a civil partnership before or after retirement.

If you marry or enter into a civil partnership before retirement:

A widow will receive a short-term pension for the three months following her husband's death, or six months if one or more eligible dependent children are in her care. This will be equal to the pension her husband was receiving, or would have received but for:

- a reduction as a result of early retirement, or
- had it not been paid as a lump sum due to exceptional ill health.
- After that, she will receive a long-term pension generally equal to half the pension he was receiving or would have received but for:
- a reduction as a result of early retirement, or
- as a result of an exchange of pension for an increased lump sum where the exchange was made on or after 6 April 2006, or

- had his pension not been paid as a lump sum due to exceptional ill health.

A widower or civil partner will receive a short and long-term pension in the same way as a widow except that only the deceased member's total membership from 1 April 1972 for a widower and from 6 April 1988 for a civil partner will be used in the calculation.

If you **marry or enter into a civil partnership after retirement**, a widow's pension based on your contracted-out membership after 5 April 1978 or a widower's pension based on your membership after 5 April 1988, (excluding additional membership purchased by you or granted to you by your employer or the scheme), will be payable. If you enter into a civil partnership after retirement a civil partner's pension based on your total membership after 5 April 1988 will be payable.

Pensions for eligible children

Children's pensions may be payable following your death. Eligible children include the deceased's member's legitimate, adopted or dependent children who are:

(a) under age 17, or

(b) under age 23 and, since before age 17, have been in full-time education or in training for a trade, profession or vocation, or

(c) dependent by reason of incapacity which arose whilst a child within the definition in (a) or (b) above, (but does not include children born 12 months or more after the member's death). The Committee may ignore a break in training or education depending on the circumstances of the case, e.g. a "gap" year before going to University.

A long-term pension is payable at the rate of one quarter of your pension entitlement if there is one child or at the rate of one-half if there are two or more children. If no widow's, widower's or civil partner's long-term pension is payable, the pension is payable at the rate of one third where there is one eligible child and at the rate of two-thirds where there is more than one eligible child.

If the period of membership used to calculate your pension at the date of death would have been greater if based on the lesser of:

- 10 years membership, or
- the total membership which you could have attained had you remained in the scheme to age 65 (i.e. someone who joined the scheme over age 55)

then the higher membership period is used to calculate the children's long term pension.

20) Pensioners Charter

Our Commitment to our Pensioners

We will:

- Provide you with a prompt, fair and efficient service.
- Be accountable for the service we provide.
- Maintain high standards of financial control and security.
- Ensure you deal with staff who are fully trained and competent to deal with you.

In particular, we will aim to:

- Advise you of your benefit options in advance of your retirement date.
- Pay your lump sum retirement grant to your bank or building society account within 5 days of receiving all the necessary retirement forms.
- Pay your monthly pension to your account on the last banking day of each month except in December, when payment will be made before the Christmas holidays.
- Issue you with a P60 Tax Form by 31 May each year, detailing the pension payments made to you with any tax deductions for the previous tax year.
- Answer or acknowledge written or email correspondence within 10 working days.
- Welcome personal callers to the office in an efficient and courteous manner.
- Issue you with an annual "Pensioners News" leaflet containing relevant articles and future pension payment dates.
- Deal sympathetically with your personal representatives in the event of your death and pay any balance of Death Grant within 5 days of receiving the necessary paperwork.

You can assist us by:

- Keeping us informed of your current address and banking arrangements.
- Advising your personal representatives or next-of-kin of our contact details in order that any surviving family benefits can be assessed quickly and accurately.
- Completing or amending a Nomination Form to advise us of your beneficiaries on death.
- Providing us with your pension reference number or National Insurance number when you contact us.
- Giving us advance notice of a visit to the Committee premises in order that a private room can be arranged, if required.
- Advising us of ways to improve our service standard to you.

21) Complaints Procedure

The Committee has published a booklet entitled “**Complaints Procedure**” which details:

- **The Committee’s** internal complaints procedure if you have a complaint against the Committee.
- **The Northern Ireland Ombudsman**, if you think you have been treated unfairly by the Committee.
- **The Pensions Advisory Service**, to give help and advice on pension matters.
- **The Pensions Ombudsman**, if you have a complaint against the pension scheme and want a final determination.
- **The Pensions Regulator**, who investigates complaints against the administration of an actual scheme.

Full details and contact numbers are in the booklet, which is available to you upon request.

Other useful contact details

The Pension Tracing Service, provides a tracing service for ex-members of pension schemes with pension entitlements who have lost touch with previous employers. If you need to use this service please contact:

The Pension Tracing Service
 The Pension Service
 Tyneview Park
 Whitley Road
 Newcastle upon Tyne
 NE98 1BA
 Telephone: 0845 6002 537

Northern Ireland Court Service, has useful booklets on “Dealing with the affairs of the Mentally Ill” and “Dealing with a deceased person’s Estate”

Northern Ireland Court Service
 Information Centre
 Windsor House
 Bedford Street
 Belfast
 BT2 7LT
 Telephone: 028 9032 8594
 Email: informationcentre@courtsni.gov.uk
 Website: www.courtsni.gov.uk

The LGPS (NI) closely follows the **Local Government Pension Scheme** in the rest of the U.K. The following website has useful information about retirement and other topics:

www.lgps.org.uk

The Local Government Pension Scheme (Northern Ireland)

Administered by:

NILGOSC
Templeton House
411 Hollywood Road
Belfast
BT4 2LP

The information contained in this booklet is also available in larger print and it may be possible to reproduce it in other formats or languages. We will be pleased to consider your request in this respect.

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Website: www.nilgosc.org.uk